

CONTRACT FOR PROFESSIONAL SERVICES

This agreement is entered into as of the _____ day of _____, 2009, by and between the _____ School District, hereinafter referred to as the "District," and the Certified Public Accounting Firm of _____, hereinafter referred to as the "Firm." This contract is entered in pursuant to Section 37-9-18, Mississippi Code of 1972 (Ann.).

- 1. The District desires to engage the Firm to render the following professional audit services for the District for the applicable fiscal year as referenced in paragraph 3 of this contract:
 - A. Perform a financial audit for all funds of the District.
 - B. Perform a compliance audit with applicable state and federal laws and regulations.
 - C. Perform items A. and B. above in conformity with professional standards, laws, rules, regulations and guidelines as contained in, but not limited to, the documents identified in paragraph 4 of the contract.

- 2. The following persons have been approved to act as fully authorized representatives for this contract:

School District _____

Name: _____

Title: _____

CPA Firm _____

Name: _____

Title: _____

- 3. The Firm shall receive as compensation for the described audit services a fee not to exceed: \$ _____ for the audit of the fiscal year ending June 30, 2009.

The said fee is based upon:

_____ hours at \$ _____ per hour for the fiscal year ending June 30, 2009.

For the audit of the 2009 fiscal year, the Firm shall not receive as compensation an amount greater than the actual hours worked multiplied by the rate per hour, except for as provided for in paragraph 20 of this contract.

4. The professional services will be performed in conformity with the following:
 - A. Generally accepted auditing standards and the industry audit guide, *Audits of State and Local Governmental Units*, established by the American Institute of Certified Public Accountants.
 - B. Statements of financial accounting standards as prescribed by the Financial Accounting Standards Board and the Governmental Accounting Standards Board.
 - C. State legal compliance audit program and related forms provided by the Office of the State Auditor.
 - D. Government Auditing Standards as required by the U.S. General Accounting Office. (The Yellow Book)
 - E. Specific grant compliance matters contained in the Office of the Management and Budget (OMB) Circular A-133 Compliance Supplement.
 - F. The OMB Circular A-133, "Audits of States, Local Governments and Non Profit Organizations," and other related OMB Circulars.
 - G. The Single Audit Act Amendments of 1996.
 - H. Mississippi Code Annotated (1972) for compliance with applicable state laws.
 - I. Financial Accounting Manual Mississippi Public Schools.
5. The District, with the written consent of the Office of the State Auditor, has the right to reject, at any time during this contract period, any work not meeting the terms of this contract. Should the District reject any services, the District's authorized representative shall notify the Firm in writing of such rejection giving reason therefore. The right to reject services shall extend throughout the terms of this contract. However, prior to termination of this contract by the District, the district must provide written justification to the Office of the State Auditor documenting the reasons for requesting that the contract be terminated. The District must obtain written approval from the Office of the State Auditor prior to terminating the contract.
6. The Firm shall provide a draft report and the workpapers, if requested, to the Office of the State Auditor for review and approval. This shall be provided to the Office of the State Auditor no later than:

December 15, 2009, for the fiscal year ending June 30, 2009.

Upon written notification by the Office of the State Auditor's authorized representative, as explained in paragraph 11 of this agreement, the Firm shall make any necessary corrections to the audit report or workpapers due to this review and these corrections shall be made within two weeks of such notification.

After the appropriate corrections, if any, have been made and the corrected audit report has been accepted by the Office of the State Auditor, a written notification of this acceptance will be sent to the Firm notifying the Firm that all requirements of the Office of the State Auditor have been met and the audit report, as approved, may be released.

7. Upon the Firm's receipt of the written notification of acceptance, as referred to in paragraph 6 of this agreement, the Firm shall mail copies of the approved audit report per the following schedule:

A. Four copies should be mailed to:

Office of the State Auditor
Attn: Education Audit Section
Post Office Box 956
Jackson, MS 39205

B. One copy should be mailed to:

Ms. LaTavius Jackson
Documents Service Manager
Mississippi Library Commission
3881 Eastwood Drive
Jackson, MS 39211

C. One copy should be mailed to:

Director of Internal Audit
Mississippi Department of Education
Post Office Box 771
Jackson, MS 39205-0771

D. One copy should be mailed to the District's levying authority or authorities.

E. The Data Collection Form (Form SF-SAC) and one copy of the approved Single Audit reporting package, as required by Section .320 of OMB Circular A-133, should be filed electronically with the Federal Audit Clearinghouse. Instructions for the filing may be accessed at <http://harvester.census.gov/fac/index.html>.

F. The Firm shall provide _____ copies of the approved audit report to the District.

8. The Firm's letter, dated _____, which contains the price quote, shall be incorporated as a part of this contract.

9. The Firm shall keep on file monthly progress reports which detail the work completed during the month and shall make these reports available to the District and/or the Office of the State Auditor for review, if requested.
10. The Firm will be entitled to one or more interim payments which shall not exceed 75% of the contract amount. The Firm shall submit a final invoice for all work performed in total. This invoice shall provide the number of hours worked by each employee. The final payment of the contract amount will be paid upon completion of the audit services and acceptance by the Office of the State Auditor and the District. The Firm will not be entitled to compensation from the District for the correction of any deficient work found in the review by the Office of the State Auditor.
11. The authorized representative of the Office of the State Auditor is empowered to accept and approve, or reject the services furnished by the Firm in compliance with the provisions of this contract.
12. The contract shall expire 120 days after the final services have been rendered.
13. For a period of five (5) years, the Firm shall make its workpapers and other evidence of audit services available to duly authorized representatives of the District or other governmental authorities. The Firm agrees to make its workpapers available to subsequent fiscal year audit firms.
14. If, through any cause, the Firm shall fail to fulfill in a timely and proper manner, as determined by the District, its obligations under this contract, or if the Firm shall violate any of the covenants, agreements, or stipulations of this contract, the District, with the written consent of the Office of the State Auditor, shall thereupon have the right to terminate this contract by giving written notice to the Firm of such termination and specifying the effective date of such termination. However, prior to termination of this contract by the District, the district must provide written justification to the Office of the State Auditor documenting the reasons for requesting that the contract be terminated. The District must obtain written approval from the Office of the State Auditor prior to terminating the contract. Furthermore, the Firm should notify the Office of the State Auditor and the District as soon as possible if deadlines cannot be met. In the event the contract is terminated, all finished or unfinished workpapers, tests, schedules, surveys, checklists, forms, manuals, letters, reports or other materials prepared by the Firm under this contract shall become the property of the District, and the Firm shall be entitled to receive just and equitable compensation for all satisfactory work completed on such documents and other materials.
15. If the Firm fails to meet the submission date by less than thirty days for the draft report and/or workpapers submitted to the Office of the State Auditor for review and approval or by less than thirty days from the completion date for the final reports and/or corrections to the workpapers prescribed herein, the District may, with the consent of the Office of the State Auditor, reduce the agreed compensation by an amount not to exceed ten percent of the total contract price for the applicable fiscal year. If reports and/or corrections to the workpapers are overdue by 30 days or more, the District may reduce, with the consent of the Office of the State Auditor, the agreed compensation by an amount not to exceed twenty percent of the total contract price for the applicable fiscal year.

16. The District, with the consent of the Office of the State Auditor, may terminate this contract at any time, for any reason other than those reasons contained in paragraph 14 above, by giving written notice to the Firm of such termination and specifying the effective date thereof, at least ten days before the effective date of such termination. However, prior to termination of this contract by the District, the district must provide written justification to the Office of the State Auditor documenting the reasons for requesting that the contract be terminated. The District must obtain written approval from the Office of the State Auditor prior to terminating the contract. In that event, all finished and unfinished documents and other materials as described in paragraph 14 above shall become the property of the District. If the contract is terminated by the District as provided herein, the Firm will be paid an amount which bears the same ratio to the total services of the Firm covered by the contract.
17. In the event the District and/or the Office of the State Auditor exercises its right to terminate this contract pursuant to paragraph 5 and/or paragraph 14 of this contract, the Firm shall bear all costs associated with the issuance of a new contract. However, prior to termination of this contract by the District, the district must provide written justification to the Office of the State Auditor documenting the reasons for requesting that the contract be terminated. The District must obtain written approval from the Office of the State Auditor prior to terminating the contract.
18. The Firm shall report immediately to the District and the Office of the State Auditor any preliminary findings of possible fraud, misapplication or misappropriation of funds.
19. If funds are not appropriated for any fiscal year during the contract term, the District will promptly notify the Firm, and the contract will terminate at the end of the last fiscal year for which funds were appropriated.
20. The District, or the Firm, may request changes in the scope of services to be performed hereunder. Such changes, including any increase or decrease in the amount of the Firm's compensation, which are mutually agreed upon by the District and the Firm, shall be included in written amendments to this contract and subject to approval by the Office of the State Auditor.
21. The Firm shall be construed, during the entire term of this contract, to be an independent contractor. Nothing in this contract is intended to nor shall be construed to create an employer-employee relationship, or a joint venture relationship.

The Firm represents that it is qualified to execute the duties to be performed under this contract and that it has, or will secure, if needed, at its own expense, applicable personnel who are qualified to perform the duties required under this contract. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the District.

It is further understood that the consideration expressed herein constitutes full and complete compensation for all services and performance hereunder, and that any sum due and payable to the Firm shall be paid as a gross sum with no withholdings or deductions being made by the District for any purpose from said contract sum, except as permitted in paragraphs 14, 15 and 16.

22. The Firm will be granted access to all client and claimant information necessary for completion of the audit services described herein. The Firm and the Office of the State Auditor assure the District that any and all information regarding clients and claimants of the District will be kept strictly confidential. Any use or release of client or claimant information for purposes other than to fulfill the Firm's or the Office of the State Auditor's responsibilities under this contract must have the prior written approval of the District.
23. The Firm shall comply with all applicable laws, regulations, policies and procedures, and grant requirements (if applicable) of the United States of America or any agency thereof, the State of Mississippi or any agency thereof and any local governments or political subdivisions that may affect the performance of services under this contract. Specifically, but not limited to, the Firm shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of this contract because of race, creed, color, sex, age, national origin or disability.
24. Any dispute concerning a question of fact arising under this contract shall be disposed of by good faith negotiation between duly authorized representatives of the District, the Office of the State Auditor, and the Firm. Such a resolution shall be reduced to writing and a copy thereof mailed or furnished to the Firm and shall be final and conclusive. If a resolution cannot be reached, the Firm shall mail or furnish to the District and the Office of the State Auditor a written request for review. The Firm shall be afforded an opportunity to be heard and to offer evidence in support of his/her/its position on the issue in dispute and under review. The review will be handled under a three (3) person panel for arbitration, composed of the Deputy State Auditor, the Director of Technical Assistance, and the Director of the Financial and Compliance Audit Division. The decision of the Arbitration Panel of the Office of the State Auditor on the review shall be final and conclusive, unless determined by a court of competent jurisdiction in Hinds County, State of Mississippi, to have been fraudulent, capricious, or so grossly erroneous as necessarily to imply bad faith, or not be supported by substantial evidence. Pending final decision of a dispute hereunder, the Firm shall proceed diligently with the performance of the duties and obligations of the contract.
25. The Firm shall not assign or otherwise transfer the obligation incurred on its part pursuant to the terms of this contract without the prior written consent of the District. Any attempted assignment or transfer of its obligations without such consent shall be null and void. All obligations and duties of either party under this contract shall be binding on all successors in interest or assigns of such party.
26. Failure of any party hereto to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this contract.
27. If any term or provision of this contract is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this contract shall not be affected thereby and each term and provision of this contract shall be valid and enforceable to the fullest extent permitted by law.
28. This contract constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings and agreements, written or oral, between the parties relating thereto.

29. The parties agree to promptly notify each other of any change of address.
30. Notice of approved changes or amendments to this contract shall be provided to the Office of the State Auditor.
31. The Office of the State Auditor has the statutory authority to perform, at any time, an audit, as defined in paragraph 1, of the District. Should the Office of the State Auditor decide to perform an audit of the District, the contract will be void upon completion of the fiscal year audit performed immediately prior to the fiscal year to be audited by the Office of the State Auditor.
32. Firm represents that it will maintain workers' compensation insurance, if applicable, which shall inure to the benefit of all Firm's personnel provided hereunder, comprehensive general liability or professional liability insurance, and where applicable, employee fidelity bond insurance.
33. Firm represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act (Senate Bill 2988 from the 2008 Regular Legislative Session) and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Firm agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. Firm further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Firm understands and agrees that any breach of these warranties may subject Firm to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Firm by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Firm would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

SCHOOL DISTRICT REPRESENTATIVES

SCHOOL DISTRICT _____

Title: Board President _____
(Signature)

Title: Superintendent _____
(Signature)

Date: _____

FIRM REPRESENTATIVE

CPA FIRM _____

(Signature)

Title: _____ Date: _____

NOTE:

Paragraph 32 may be modified at the discretion of the District and the Firm.